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UNCLAS SECTION 01 OF 03 MEXICO 004460

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SUBJECT: MEXICO BORDER WORKING GROUP TOUR A SUCCESS

REF: A. MEXICO 00379

[1](#)B. MEXICO 1600

Summary and Introduction

[1](#)1. (SBU) Summary: The U.S.-Mexico Border Facilitation Working Group (BFWG) toured points of entry (POEs) in Laredo, Nogales, and San Diego to witness first hand the bottlenecks that limit cross border trade and gain insight on possible low cost/high impact changes that could rectify the problems. The group also engaged local government officials and business leaders on their ideas for border trade facilitation. Following the successful trip, Mission Mexico looks forward to continuing our trade facilitation work. End Summary.

[1](#)2. (SBU) On July 29-August 1, the Border Facilitation Working Group (BFWG), a bi-national created at the March 2007 Merida Summit, toured POE's to study border operations and engage the private sector on solutions to facilitate cross border trade. DHS Asst Secretary for the Private Sector, Al Martinez-Fonts headed the U.S. delegation which included representatives from CBP, the White House (Homeland Security Council), Department of Commerce, Department of Agriculture, Department of State, General Services Administration, and Department of Transportation. The Mexican Delegation, headed by Dr. Alberto Ortega Veznor, Chief Advisor to the Secretary of Economy, included representatives from the office of Mexican President Calderon (Presidencia,) the Secretariat of Communications and Transportation, Foreign Relations Secretariat, Customs, Secretariat of the Interior, and the

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Agriculture Secretariat (SEGARPA). During the three day tour, the group met with stakeholders and business leaders in Laredo, Nogales/Tucson, and San Diego, and visited the Columbia and Laredo World Trade Bridge crossings (Laredo, Texas), as well as the Mariposa (Nogales, Arizona), and Otay Mesa (San Diego, California) commercial crossings.

Laredo/Nuevo Laredo/Colombia

[1](#)3. (SBU) In Laredo the group visited both the World Trade Bridge (WTB) that crosses into Nuevo Laredo in the Mexican state of Tamaulipas, and the Colombia Bridge 20 miles west of Laredo that crosses into Colombia, Nuevo Leon. While WTB is operating at well beyond its capacity, Colombia is being

underutilized.

14. (SBU) Mexican customs permits are not currently transferable, so a truck that would usually use WTB cannot shift to the Colombia Bridge without purchasing a different crossing permit. There is also a perception among drivers that that Texas Department of Public Safety inspection of trucks at Colombia targets Mexican trucks and is harsher than at WTB. The group discussed possible ways to encourage greater use of the Colombia crossing by making Mexican customs permits valid for both POE's and by adding signs in Mexico to direct traffic to Colombia. The group also would put representatives from the Texas Department of Public Safety in contact with Mexican officials to try to clarify their procedures and reassure drivers that they will not be adversely targeted at the Colombia crossing.

15. (SBU) The group was encouraged by some of the changes that have already been implemented at the Laredo area crossings. CDP opened two new Free and Secure Trade (FAST) program lanes at Colombia and is considering the possibility of expanding WTB by 7 lanes (from 8-15). The city of Nuevo Laredo also has plans to expand the road leading up the FAST lane at WTB.

Expansion of WTB and increased usage of Colombia will serve to end many of the bottlenecks experienced in the Laredo area.

#### Laredo Area Rail

16. (SBU) Kansas City Southern (KCS) has been working through the North American Competitiveness Council (NACC) to improve on cross border rail service. KCS runs the rail crossing through Laredo and is the subcontractor for Union Pacific (UP) for the crossing as well. KCS presented the group with an overview of their operations and suggestions for

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improvement. One suggestion was keeping the same crew into the rail yards in Laredo to cut down on time spent at the border crossing (the crew currently changes on the bridge crossing the Rio Grande). They also suggested better coordination of arrival times for crew changes (U.S. to Mexican crew for southbound trains and vice versa for northbound trains) and better synching between customs agencies on both sides of the border to avoid duplication of work.

17. (SBU) Officials from the City of Laredo and Webb County have been interested in building a new rail bridge at west of the current bridge for some time now as the current bridge is predicted to be at capacity within the next five years. They have recently agreed on a joint proposal for a presidential permit request but KCS has come out strongly against the plans presented by the local government because it would require them make extensive investments in new rail lines and years. KCS has presented an alternate location to the east of Laredo. Both locations would move the rail bridge out of downtown Laredo where it currently causes serious disruptions.

18. (SBU) While the new rail bridge is a necessity, officials will have to negotiate with two competing rail companies. Officials from KCS, particularly, say that they will not use the new rail crossing if it forces them away from their current rail yard and they have proposed an alternate location that would allow them to maintain the use of their Laredo rail yards.

#### Nogales, Arizona /Nogales, Sonora

18. (SBU) Geographical limitations on the road leading to the crossing limits Nogales' mostly agricultural traffic, though stakeholders are looking for simple improvements to speed the crossing. The business community has a good relationship

with the port director, having already convinced him to open the port of entry on Sunday during the peak growing season. They now are seeking to extend the port's operating hours. Responding to a June BFWG tasking, Mexican Customs (Aduanas) has already posted new signs and extended jersey barriers a kilometer prior to the U.S. port of entry to separate FAST lanes from regular traffic. By separating the FAST lanes earlier on, Aduanas prevents none FAST truckers from using the FAST lanes and decreases the wait time for the trucks that are authorized to use the lanes. Aduanas officials also described plans to further extend the barriers.

¶9. (SBU) Companies were especially concerned by Mexican military checkpoints approximately 150 km from the POE. Soldiers, searching for drugs and other contraband, do not respect the seals that are placed on the vehicles and open up to 50 percent of the trucks for inspections. Companies cannot participate in CTPAT nor the future cross border trucking pilot programs because they cannot guarantee their supply chain's integrity. Additionally, insects and vermin can enter the trucks when they are opened at the checkpoints and cause greater scrutiny for the company when the trucks are inspected after entering the U.S. Presidencia will investigate these claims and try to, if necessary, work with the military to either honor the seals or recognize CTPAT or FAST designations.

¶10. (SBU) Comment: The Nogales port of entry is in serious need of expansion and is a priority under CBP's 5 year plan. While they are limited in the changes that can be made, Nogales is a perfect of example of a location where little changes can make a big different. If the GOM can deliver on the changes needed on their side, Nogales can be held up as an example of bi-national cooperation having a large impact in a very challenging situation. End Comment.

San Diego/Tijuana  
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¶11. (SBU) Trade across the border in the San Diego area has grown by over 500% over the past 15 years and the border infrastructure has not kept up. Stakeholders on both sides of the border suggest that the San Diego/Tijuana area is 10 years behind where it needs to be given its rapid growth and that improvement plans have too long of a timeframe to bridge

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the gap. The leaders of the BFWG encouraged members to help the federal government find ways to improve the situation until longer term fixes could be implemented. One recurring suggestion from business leaders was an increase in the use of public private partnerships to capture financing for the needed development. They suggested that a toll scheme could encourage a private company to make an investment in building a new crossing.

¶12. (SBU) In San Diego, the group also toured the POE at Otay Mesa to see the challenges that are facing trade in the area.

The crossing is severely overtaxed and CBP plans to expand the facility within the next 2-3 years to accommodate the traffic. There are also plans to build a second new commercial crossing east of the current crossing. While the tour was only a snap shot of the traffic, the group did notice that empty trucks were waiting up to 2 hours to cross with drivers confirming that it can take up to 4 hours for an empty truck to cross into the U.S. Mexican customs officials will try to work with CBP to find a solution and minimize the times that empty trucks sit idling.

¶13. (SBU) San Diego leaders were the most vocal in expressing their displeasure with the way the federal (and to some extent, state) governments have handled the development at the crossings along the border. At the same time, however, they seemed willing and ready to participate in public-private partnerships or pay tolls if it were to finance a new bridge. Stakeholders believe governments must

work to alleviate congestion while planning for new bridges and expansions.

#### Wrap Up

¶14. (SBU) Comment. Overall the visit was a success. Local business leaders were grateful to have their concerns heard by federal officials and federal officials were able to witness the challenges to cross-border trade and hear problems and possible solutions from those who are directly affected. The group has become exactly what the Presidents desired during their Merida meeting, a senior-level working group that will find short-, medium-, and long-term answers for the difficulties in passing goods across our common border. Working together across agencies and across governments is allowing solutions to be implemented in quick, efficient and effective ways. By engaging the local private sectors and incorporating best practices into the process, the group is making changes that should have far reaching results. In a meeting with head of the Mexican delegation Alberto Ortega after the tour, he agreed that maintaining a high level group that can integrate economic and security considerations is important to the group's potential to achieve concrete results. End Comment.

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